

Summary of the Economic Modernization Act

Section 1: Economic Transition Credit.

The provision provides a tax credit to employers worth the payroll taxes paid on employees that previously worked in a declining field. A declining field is defined as an occupation or field of work that the Treasury Secretary determines, according to data provided by BLS, has declined by more than 8 percent on average over a three year period. The purpose of the provision is to encourage employers to hire people working in dying occupations (i.e. made obsolete by technology, globalization, or various shifts in the economy)—making it easier for them to change careers. A list of the fastest declining occupations can be found [here](#).

Section 2: Enhanced Education Tax Benefits for Professionals in Short Supply.

The provision increases the caps on the deduction for college expenses (from \$4,000 to \$8,000), the student loan interest deduction (from \$2,500 to \$8,000), and employer-provided education assistance—including tuition assistance and assistance with repaying student loan debt—from \$5,250 to \$15,000 for professionals in a short supply field.

A short supply field is defined as an occupation requiring a college degree that the Treasury Secretary, in consultation with the Labor Secretary, determines lacks enough qualified workers to meet labor demands in that field—based on the standard used to approve H-2B visas for employers seeking foreign professionals. The purpose of the provision is to help close the skills gap through enhanced education tax benefits for professionals in short supply.

Section 3. Deduction for Repurposing Abandoned Factories.

The provision provides a deduction to companies that rehabilitate abandoned buildings. The deduction would be worth the profits attributable to the building—up to 50 percent of the wages paid by the company—and available for the first three years the building is placed in service after rehabilitation. The purpose of the provision is to redevelop blighted and forgotten areas of the country.